
AGENCY OVERVIEW**801 Dept of Transportation**

Date: 01/13/2011**Time:** 08:51:02**Statutory Authority**

North Dakota Century Code Sections 24-01 through 24-15, 39-02, and 49-17.1-2.

Agency Description

The North Dakota State Highway Department was created in 1917. In 1990, the name was changed to the North Dakota Department of Transportation (NDDOT). NDDOT oversees the development of surface transportation, including highways, rail service, and transit services in North Dakota. NDDOT also serves as a liaison organization to the North Dakota Aeronautics Commission, which is responsible for all aspects of state air transportation. NDDOT's central office is in Bismarck, with eight district offices located strategically across the state.

NDDOT is headed by a director appointed by the Governor. The director is assisted by a deputy director, a deputy director for engineering, and a deputy director of vehicle services. In addition the central office staff provides planning, programming, design, construction, maintenance, and general administrative support services.

Agency Mission Statement

The North Dakota Department of Transportation's mission is to provide a transportation system that safely moves people and goods.

Agency Performance Measures

An externally focused Performance Measure “Outcomes” summary was developed and published. It is called the NDDOT Performance Measures Report Card.

Outcome performance measures include:

- Overall Customer Satisfaction
- Overall Safety - Highway and Worker Elements
- The Highway Performance Classification System Status
- Product and Service Delivery - Resource Management Elements
- Organizational Excellence - Overall Employee Satisfaction

Departmental/Program Goals:

- Improve the quality and efficiency of North Dakota's transportation systems and services.
- Enhance customer satisfaction.
- Improve traveler and workforce safety.
- Enhance employee recruitment, development, and well being.
- Strengthen stakeholder relationships.

Program Objectives: Each Objective has an action plan that outlines specific activities and timelines which can be found in the NDDOT Strategic Plan.

Major Accomplishments

1. Spent about \$783.0 million in 2009 and 2010 to improve approximately 3,300 miles of state highways. This includes about \$171.0 million of ARRA economic stimulus funding.
2. Invested \$47.0 million in county road improvements including replacement of 23 bridges during 2009 and 2010.
3. Completed other major construction projects including:
 - construction of the Drayton bridge;
 - major grade raises in North Dakota 20 & 57 in the Devils Lake area;
 - I-94 Business loop in Mandan;

AGENCY OVERVIEW**801 Dept of Transportation**

Date: 01/13/2011**Time:** 08:51:02

- southbound I-29 from north Fargo interchange to Argusville;
- grading, surfacing, and numerous safety improvements on US 85 north of Grassy Butte; and
- widening, grading, and construction of US 12 from Scranton to the Montana line.

Future Critical Issues

Future of Federal Highway Funding Congress has not passed a new Federal Transportation Bill. While the most recent Federal Transportation Bill expired on September 30, 2009, Congress continues to provide transportation funding through short-term extensions. This situation results in considerable uncertainty as to the level of federal funding as we prepare our budget and revenue estimates for the upcoming biennium.

The picture of federal funding is changing. Currently the federal highway trust fund attains \$31 billion of income, but has approximately \$42 billion in expenditures. The funding shortfall has been created mainly because vehicle fuel economy has increased and many people have stopped driving or use transit during the recent economic downturn. As the funding sources decrease, we foresee the possibility of the donor/donee formula changing.

Western North Dakota's Transportation Infrastructure: The increased traffic due to the rapidly expanding oil industry has created significant impacts to roadways in the oil development area. Roads are deteriorating at a much quicker rate than expected. Maintenance crews struggle to stay ahead of the substantial amount of areas needing repair. Load restrictions are being implemented to protect the remaining roadway; this has significant impacts on the oil industry.

The NDDOT recognizes the importance of the transportation system in western North Dakota. From 1999 to 2009, approximately \$866 million has been invested in preserving and improving the state highways in this area. NDDOT is currently working with Upper Great Plains Transportation Institute (UGPTI), which is studying local transportation needs in oil producing counties.

Rising Water Levels in the Devils Lake Basin: Since 1993, the lake elevation has risen almost 29 feet. Approximately \$191.1 million (\$161.4 million federal funding \$28.7 million state/local funding) has been spent from 1994 through November of 2009 to raise roadways that have been impacted by high water levels. This includes \$149.4 million for state highways, \$25.9 million for county roads and \$14.4 million for BIA roads. Maintaining traffic flow is a major challenge when these projects are under construction.

2010 – 2012 projects on state highways in the Devils Lake Basin are estimated to be about \$168.4 million, \$143.8 million federal and \$24.6 million state funding. Upon completion of these projects the roadways will be raised to an elevation of 1460 feet. Projects include major and minor rehabilitation, overlays, seal coats, and structural and safety improvements.

The Devils Lake Basin is not the only area in North Dakota dealing with high water issues. As a result of recent heavy rains, 22 sites on state highways in the West James River Basin were, or are close to being, inundated with water. Cost estimates are being developed to raise the grades at these sites. Many county and township roads are also under water in this area.

Roadway Maintenance Safety Items: The NDDOT is faced with increasing demands for expanded snow and ice control, especially in oil impact and urban areas. On top of this is the increasing cost of salt and other materials for snow and ice control.

NDDOT is faced with increasingly difficult environmental regulations regarding materials used to paint center and edge lines on the roadways. As a result, we have had to resort to more environmentally friendly products which do not hold up as well as their predecessors. To provide for safe and visible driving lanes, we must resort to a pavement marking program that requires all center and edge lines to be painted every year.

Employee Recruiting and Retention: Motor Vehicle titling and registration operations have experienced continuous growth in the demand for services. The paperwork volume continues to grow. MV has increased from approximately 440,000 registrations in the 70's to 952,000 in 2009. New vehicle types and new plate types are being added each legislative session. MV now titles collector snowmobiles, military antique vehicles, unconventional vehicles, manufactured homes, off-highway, & low speed

AGENCY OVERVIEW**801 Dept of Transportation**

Date: 01/13/2011**Time:** 08:51:02

vehicles. Currently, over 345 combinations of license plate types are offered through VRTS. The NDDOT has reached the point where we are unable to provide timely service with current staffing solutions.

The Drivers License Division has experienced significant time delays in processing Commercial Drivers License (CDL) requests, which in turn creates a creeping time lag for all license processing. This area of the department's operations is especially impacted by the growth in oil field activity. Since FY2003, annual written examinations have increased by 20.35% and annual road testing has increased by 35.53%. During the same time period, staffing levels have decreased by 3.57%.

Highway Maintenance has a dire need to hire additional full-time transportation technicians in three of the state's urban areas and in the Williston area. The Bismarck, Minot, and Fargo urban areas require 24 hour snow and ice control services. We have traditionally used part-time employees to work the night time hours, but have found it almost impossible to hire them lately. The Williston area needs additional operators to meet the service needs due to the growth of traffic in that area.

DL3 System: The NDDOT's DL3 system, which is used to store and track driver records, needs replacing or rewriting. This system is approximately 28 years old and is functionally obsolete. The system is written in the COBOL operating language; this language is rarely used in modern applications and is generally being phased out. It is a mainframe system that ITD recommends highly for rewrite and was highly prioritized by SITAC. The system has been and continues to be subject to revisions necessary to accommodate state and federal regulation and law changes. This extensive patchwork of revisions is resulting in instances of erroneous and incomplete driver records. It does not contain adequate security features for today's environment; the system is vulnerable to intentional and unintentional security breaches which may compromise the security and integrity of confidential driver records. The system is accessed extensively by numerous other agencies including the ND Highway Patrol, ND Department of Human Services, and other law enforcement entities from all levels of jurisdiction.

Central Office Building: NDDOT is faced with significant and growing space, parking, and security issues in the central office headquarters building. This building houses the customer services counters for our Drivers License and Motor Vehicle operations in the Bismarck-Mandan area.

The volume of customers using this facility has steadily grown. The parking facilities for the building are inadequate; customers and employees often cannot find available parking spots. This has led to numerous complaints and customer dissatisfaction.

The building is currently completely open to the general public. There are no security features to restrict non-employees to certain parts of the building unless accompanied by an authorized employee. This has led to several serious security issues in recent years, including some stalker situations.

Additionally, a significant portion of the building contains asbestos.

REQUEST SUMMARY

801 Dept of Transportation

Biennium: 2011-2013

Bill#: HB1012

Date: 01/13/2011

Time: 08:51:02

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Administration	29,595,348	34,135,484	2,901,525	37,037,009	18,380,886
Drivers and Vehicle Services	24,381,854	33,510,178	(147,506)	33,362,672	1,632,899
Highways	780,129,469	1,214,949,025	(233,335,358)	981,613,667	273,140,013
Fleet Services	56,526,476	67,778,090	(2,191,883)	65,586,207	100,000
Total Major Program	890,633,147	1,350,372,777	(232,773,222)	1,117,599,555	293,253,798
By Line Item					
Salaries and Wages	127,783,770	153,373,254	3,089,235	156,462,489	5,009,337
Operating Expenses	153,175,048	214,972,514	(15,233,103)	199,739,411	12,579,839
Capital Assets	536,938,475	718,401,648	(24,071,400)	694,330,248	251,545,047
Capital Improvements-Carryover	10,899,123	11,244,166	(11,244,166)	0	0
Grants	58,154,198	75,266,101	(8,198,694)	67,067,407	0
Federal Stimulus Funds - 2009	3,682,533	172,515,094	(172,515,094)	0	24,119,575
General Fund Transfer	0	4,600,000	(4,600,000)	0	0
Total Line Items	890,633,147	1,350,372,777	(232,773,222)	1,117,599,555	293,253,798
By Funding Source					
General Fund	0	4,600,000	(4,600,000)	0	5,850,000
Federal Funds	490,680,096	853,771,718	(196,870,895)	656,900,823	24,119,575
Special Funds	399,953,051	492,001,059	(31,302,327)	460,698,732	263,284,223
Total Funding Source	890,633,147	1,350,372,777	(232,773,222)	1,117,599,555	293,253,798
Total FTE	1,052.50	1,054.50	0.00	1,054.50	19.00

REQUEST DETAIL

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Biennium: 2011-2013

Time: 08:51:02

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	85,000,493	102,160,338	1,419,248	103,579,586	1,204,440
Salaries - Other	509,468	301,000	(301,000)	0	3,200,000
Temporary Salaries	2,724,557	4,217,599	104,281	4,321,880	0
Overtime	7,209,891	7,280,236	888,018	8,168,254	0
Fringe Benefits	32,339,361	39,414,081	978,688	40,392,769	604,897
Total	127,783,770	153,373,254	3,089,235	156,462,489	5,009,337
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	22,830,621	29,994,043	(3,918,320)	26,075,723	0
Special Funds	104,953,149	123,379,211	7,007,555	130,386,766	5,009,337
Total	127,783,770	153,373,254	3,089,235	156,462,489	5,009,337
Operating Expenses					
Travel	31,192,620	33,669,596	38,700	33,708,296	0
Supplies - IT Software	852,499	1,643,341	(611,819)	1,031,522	0
Supply/Material-Professional	135,981	186,759	(4,605)	182,154	0
Bldg, Ground, Maintenance	49,843,341	77,766,409	(10,914,285)	66,852,124	2,000,000
Miscellaneous Supplies	3,293,768	3,370,798	145,332	3,516,130	0
Office Supplies	554,010	584,613	68,281	652,894	0
Postage	1,440,798	1,747,937	49,000	1,796,937	0
Printing	895,030	1,068,894	(152,082)	916,812	0
IT Equip Under \$5,000	1,019,582	926,322	230,722	1,157,044	0
Other Equip Under \$5,000	2,190,289	1,933,067	(265,032)	1,668,035	482,839
Utilities	4,336,354	4,025,868	168,500	4,194,368	0
Insurance	1,771,785	1,463,732	156,000	1,619,732	0
Rentals/Leases-Equip & Other	351,089	614,662	(46,700)	567,962	0
Rentals/Leases - Bldg/Land	1,860,769	2,949,472	(600)	2,948,872	361,400
Repairs	16,914,744	13,415,156	842,374	14,257,530	0
IT - Data Processing	5,569,413	9,170,134	1,692,839	10,862,973	0
IT - Communications	1,302,614	1,147,188	81,139	1,228,327	10,000
IT Contractual Svcs and Rprs	1,715,390	2,400,965	163,810	2,564,775	0
Professional Development	1,021,514	1,308,627	33,066	1,341,693	0
Operating Fees and Services	1,611,053	4,287,632	(530,126)	3,757,506	57,500
Fees - Professional Services	25,302,405	51,291,342	(6,377,617)	44,913,725	9,668,100
Total	153,175,048	214,972,514	(15,233,103)	199,739,411	12,579,839
Operating Expenses					
General Fund	0	0	0	0	0

REQUEST DETAIL

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Biennium: 2011-2013

Time: 08:51:02

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Federal Funds	22,455,013	46,008,952	(3,286,164)	42,722,788	0
Special Funds	130,720,035	168,963,562	(11,946,939)	157,016,623	12,579,839
Total	153,175,048	214,972,514	(15,233,103)	199,739,411	12,579,839

Capital Assets

Land and Buildings	5,550,760	2,707,400	73,200	2,780,600	0
Other Capital Payments	497,641,930	680,424,359	(23,849,861)	656,574,498	243,450,000
Extraordinary Repairs	1,730,704	20,000	896,800	916,800	8,000,000
Equipment Over \$5000	1,182,737	997,383	4,752,250	5,749,633	95,047
Motor Vehicles	30,393,109	33,846,100	(5,838,467)	28,007,633	0
IT Equip/Sftware Over \$5000	439,235	406,406	(105,322)	301,084	0
Total	536,938,475	718,401,648	(24,071,400)	694,330,248	251,545,047

Capital Assets

General Fund	0	0	0	0	5,850,000
Federal Funds	394,726,336	542,135,878	(9,432,130)	532,703,748	0
Special Funds	142,212,139	176,265,770	(14,639,270)	161,626,500	245,695,047
Total	536,938,475	718,401,648	(24,071,400)	694,330,248	251,545,047

Capital Improvements-Carryover

Land and Buildings	0	739,354	(739,354)	0	0
Other Capital Payments	10,255,261	8,089,758	(8,089,758)	0	0
Extraordinary Repairs	392,746	0	0	0	0
Motor Vehicles	251,116	2,415,054	(2,415,054)	0	0
Total	10,899,123	11,244,166	(11,244,166)	0	0

Capital Improvements-Carryover

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	10,899,123	11,244,166	(11,244,166)	0	0
Total	10,899,123	11,244,166	(11,244,166)	0	0

Grants

Grants, Benefits & Claims	54,042,503	71,257,416	(7,590,009)	63,667,407	0
Transfers Out	4,111,695	4,008,685	(608,685)	3,400,000	0
Total	58,154,198	75,266,101	(8,198,694)	67,067,407	0

Grants

General Fund	0	0	0	0	0
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REQUEST DETAIL

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Time: 08:51:02

Biennium: 2011-2013

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Federal Funds	46,985,593	63,117,751	(7,719,187)	55,398,564	0
Special Funds	11,168,605	12,148,350	(479,507)	11,668,843	0
Total	58,154,198	75,266,101	(8,198,694)	67,067,407	0

Federal Stimulus Funds - 2009

Salaries - Permanent	88,291	700,000	(700,000)	0	0
Temporary Salaries	5,632	25,000	(25,000)	0	0
Overtime	34,676	350,000	(350,000)	0	0
Travel	39,182	250,000	(250,000)	0	0
Bldg, Ground, Maintenance	6	0	0	0	0
Miscellaneous Supplies	0	300	(300)	0	0
IT - Data Processing	0	2,000	(2,000)	0	0
IT - Communications	0	1,200	(1,200)	0	0
Operating Fees and Services	25,879	500,000	(500,000)	0	0
Fees - Professional Services	164,640	1,000,000	(1,000,000)	0	0
Other Capital Payments	3,324,227	163,730,420	(163,730,420)	0	19,319,575
Grants, Benefits & Claims	0	5,956,174	(5,956,174)	0	4,800,000
Total	3,682,533	172,515,094	(172,515,094)	0	24,119,575

Federal Stimulus Funds - 2009

General Fund	0	0	0	0	0
Federal Funds	3,682,533	172,515,094	(172,515,094)	0	24,119,575
Special Funds	0	0	0	0	0
Total	3,682,533	172,515,094	(172,515,094)	0	24,119,575

General Fund Transfer

Transfers Out	0	4,600,000	(4,600,000)	0	0
Total	0	4,600,000	(4,600,000)	0	0

General Fund Transfer

General Fund	0	4,600,000	(4,600,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	4,600,000	(4,600,000)	0	0

Funding Sources

General Fund	0	4,600,000	(4,600,000)	0	5,850,000
Federal Funds	490,680,096	853,771,718	(196,290,295)	656,900,823	24,119,575
Special Funds	399,953,051	492,001,059	(31,302,327)	460,698,732	263,284,223

REQUEST DETAIL

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Biennium: 2011-2013

Time: 08:51:02

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Total Funding Sources	890,633,147	1,350,372,777	(232,192,622)	1,117,599,555	293,253,798

CHANGE PACKAGE SUMMARY

801 Dept of Transportation

Biennium: 2011-2013

Bill#: HB1012

Date: 01/13/2011

Time: 08:51:02

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
One Time Budget Changes						
A-E 2 Remove Prior Biennium One-Time		0.00	(4,600,000)	(171,440,094)	(4,600,000)	(180,640,094)
Total One Time Budget Changes		0.00	(4,600,000)	(171,440,094)	(4,600,000)	(180,640,094)
Ongoing Budget Changes						
A-A 1 Base Budget Change		0.00	0	521,698,397	148,667,999	670,366,396
A-A 4 IT-Estimating Program		0.00	0	0	532,055	532,055
A-F 3 Remove Current Biennium Capital Assets		0.00	0	(542,135,878)	(182,909,936)	(725,045,814)
Base Payroll Change		0.00	0	(4,993,320)	7,007,555	2,014,235
Total Ongoing Budget Changes		0.00	0	(25,430,801)	(26,702,327)	(52,133,128)
Total Base Budget Changes		0.00	(4,600,000)	(196,870,895)	(31,302,327)	(232,773,222)
<u>Optional Budget Changes</u>						
Ongoing Optional Changes						
A-C 5 Market Based Salary Adjustment	3	0.00	0	0	3,200,000	3,200,000
A-C 6 Motor Vehicle Licensing Specialists & Training O	4	5.00	0	0	502,391	502,391
A-C 7 Drivers License Examiners	5	5.00	0	0	426,508	426,508
A-C 8 General Funds for Devils Lake	6	0.00	5,850,000	0	0	5,850,000
A-C 9 State funded road program for oil impact areas	7	0.00	0	0	228,600,000	228,600,000
A-C 10 State Funded Roadway Maintenance Safety Items	8	0.00	0	0	11,000,000	11,000,000
A-C 11 IT-Drivers License System Rewrite	9	0.00	0	0	9,500,000	9,500,000
A-C 12 Asbestos Abatement	10	0.00	0	0	8,000,000	8,000,000
A-C 13 Relocation of Motor Vehicle and Drivers License	11	0.00	0	0	644,000	644,000
A-C 14 Transportation Technicians (Equipment Operators	12	9.00	0	0	880,438	880,438
A-C 15 Digital Radio Conversion	13	0.00	0	0	530,886	530,886
A-C 16 ARRA-Federal Stimulus Aid	14	0.00	0	24,119,575	0	24,119,575
Total Ongoing Optional Changes		19.00	5,850,000	24,119,575	263,284,223	293,253,798
Total Optional Budget Changes		19.00	5,850,000	24,119,575	263,284,223	293,253,798

BUDGET CHANGES NARRATIVE

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Time: 08:51:02

Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Base Budget Change - Reallocation and adjustments to the DOT

CHANGE PACKAGE: BASE BUDGET REQUEST:

The base budget request consists of our 2009-2011 appropriated state budget, and the adjustments based on current revenue forecasts. These budget amounts were adjusted for the payroll "cost to continue" and an increase in federal funds. Other base budget adjustments are for budgetary realignment.

Change Group: A	Change Type: A	Change No: 4	Priority: 2
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IT-Estimating Program

The estimating program will improve the NDDOT's method of estimating project costs. It will minimize or eliminate re-keying of project information, improve program interfaces, and allow for individual historic project comparisons on multiple bid items. The estimating program will integrate tools with GEOPAK and other quantity calculating programs.

Change Group: A	Change Type: C	Change No: 5	Priority: 3
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Market Based Salary Adjustment

NDDOT has recently implemented a mark based salary plan. While this plan has brought many of the NDDOT staff closer to appropriate market pay for their positions, we still have a considerable distance to go before many other positions will be reasonably close to their market. This is especially critical for positions where we have difficulty attracting and retaining employees, particularly Drivers License Examiners and Transportation Technicians (i.e. Equipment Operators). Accordingly, we are requesting a market based salary equity adjustment of \$3.2 million to enable us to better attract and retain employees in these positions.

Change Group: A	Change Type: C	Change No: 6	Priority: 4
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Motor Vehicle Licensing Specialists & Training Officer - 5 FTE, 4 MV Licensing Specialists & 1 Training Officer

The NDDOT motor vehicle titling and registration operations have experienced continuous growth in the demand for services. We have reached the point where we are unable to provide timely service with the current staffing solutions.

While we are examining all operations with an eye to improving efficiencies, in the end the division simply needs more resources. The paperwork volume continues to grow. MV has increased from approximately 440,000 registrations in the 70's to 952,000 in 2009. New vehicle types and new plate types are being added each legislative session. MV now titles collector snowmobiles, military antique vehicles, unconventional vehicles, manufactured homes, off-highway, & low speed vehicles. Currently, over 345 combinations of license plate types are offered through VRTS.

BUDGET CHANGES NARRATIVE**801 Dept of Transportation****Bill#: HB1012****Date:** 01/13/2011**Time:** 08:51:02

In 2000, 8 FTE's were eliminated when the Vehicle Registration and Titling System was implemented. With the increased work volume, we have resorted to the use of temporary employees. Unfortunately, conducting permanent operations with temporary staff is not a good long term solution as a fairly high learning curve is involved and most temporary employees don't remain with the department long enough to enable us to effectively keep up with the service demands. In the last two years, twenty temporary staff positions have turned over. As a result, we are constantly in a training mode with the department's temporary employees; this does not lend itself to efficient and effective operations.

With the increased volume of unique titling situations MV needs a full time trainer to travel across the state of ND to train the 20 branch offices as well as train the Central office staff.

Change Group: A	Change Type: C	Change No: 7	Priority: 5
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Drivers License Examiners - 5 FTE

The Drivers License Division has experienced significant time delays in processing Commercial Drivers License (CDL) requests, which in turn creates a creeping time lag for all license processing. This area of the department's operations is especially impacted by the growth in oil field activity.

Since FY2003, annual written examinations have increased by 20.35% and annual road testing has increased by 35.53%. During the same time period, staffing levels have decreased by 3.57%. In fiscal years 2011-2015 the following additional workload items will occur:

- Federal Motor Carrier Safety Administration (FMCSA) rules will require a change from current medical certification of drivers to a process where driver examiners must review the certification prior to conducting CDL testing, and documenting/scanning the certificates into the system – additional processing time.
- Department of Homeland Security will require validation of original documents – additional processing time.
- Oil field activity is anticipated to sustain the increasing workload for CDL testing resulting in additional processing time.

To keep up with the growing demand for licensing services and maintain a delay time for testing at an acceptable minimum, we need to increase the department's testing force by 5 full time examiners.

Change Group: A	Change Type: C	Change No: 8	Priority: 6
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General Funds for Devils Lake - Roadways As Dams Project

The Department was capped in the amount of Section 1937 funding it received for the ND 20 Roads-Acting-as-Dams project. The project bid came in higher than estimated. That consideration along with other contingencies requires an additional \$1.83 million. The North Tie-Back portion of that project is expected to be bid soon. The U.S. Corps of Engineers estimate for that project is \$6 million. The U.S. Corps of Engineers will cover \$1.98 million of that cost. The department would need to cover the remaining \$4.02 million. Total funding required is \$5.85 million. These costs are not eligible for funding from normal state highway funds; therefore they would have to be funded with general fund revenues.

Change Group: A	Change Type: C	Change No: 9	Priority: 7
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BUDGET CHANGES NARRATIVE**801 Dept of Transportation****Bill#: HB1012****Date:** 01/13/2011**Time:** 08:51:02

State funded road program for oil impact areas

The increased traffic due to the rapidly expanding oil industry has created significant impacts to roadways in the oil development area. Roads are deteriorating at a much quicker rate than expected. Maintenance crews struggle to stay ahead of the substantial amount of areas needing repair. Load restrictions are being implemented to protect the remaining roadway; this has significant impacts on the oil industry. We need an additional \$228.6 million per biennium to address the infrastructure needs in oil impact areas.

Change Group: A	Change Type: C	Change No: 10	Priority: 8
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State Funded Roadway Maintenance Safety Items

An additional \$11 million is needed for maintenance items to ensure we continue to maintain a safe roadway system for the following reasons:

1. Inflation has increased the costs of lighting, snow and ice control, pothole patching which are necessary functions in order to maintain a safe roadway.
2. Environmental regulations have forced us to change our paint specifications. The new paint we are placing does not last as long as a result we are now required to place pavement marking every year where in the past we were able to wait 2-3 years with some of our edge line markings. Good pavement marking is essential for roadway safety.

Change Group: A	Change Type: C	Change No: 11	Priority: 9
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IT-Drivers License System Rewrite

The DL III project involves replacing or rewriting the DOT's DL3 system which is used to store and track driver records. This system is approximately 28 years old and is functionally obsolete. The system is written in the COBOL operating language; this language is rarely used in modern applications and is generally being phased out. It is a mainframe system that ITD recommends highly for rewrite and was highly prioritized by SITAC. The system has been and continues to be subject to revisions necessary to accommodate state and federal regulation and law changes. This extensive patchwork of revisions is resulting in instances of erroneous and incomplete driver records. It does not contain adequate security features for today's environment; the system is vulnerable to intentional and unintentional security breaches which may compromise the security and integrity of confidential driver records. The system is accessed extensively by numerous other agencies including the ND Highway Patrol, ND Department of Human Services, and other law enforcement entities from all levels of jurisdiction. The cost for this project would be approximately \$17 million; \$9.5 million would occur the first biennium and the remainder would be completed the following biennium.

Change Group: A	Change Type: C	Change No: 12	Priority: 10
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Asbestos Abatement - Finish asbestos abatement/remodel

NDDOT is faced with significant and growing space, parking, and security issues in the central office headquarters building. This building houses the customer services counters for our Drivers License and Motor Vehicle operations in the Bismarck-Mandan area.

The building is currently completely open to the general public. There are no security features to restrict non-employees to certain parts of the building unless accompanied by an authorized employee. This has led to several serious security issues in recent year, including some stalker situations.

BUDGET CHANGES NARRATIVE**801 Dept of Transportation****Bill#: HB1012****Date:** 01/13/2011**Time:** 08:51:02

Additionally, a significant portion of the building contains asbestos.

To alleviate this situation, the department is considering two mutually exclusive options. The preferred option is to complete the asbestos abatement and in conjunction with that, remodel the building to better accommodate needs and alleviate the space and security concerns.

Change Group: A	Change Type: C	Change No: 13	Priority: 11
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Relocation of Motor Vehicle and Drivers License Customer Service Opera

In the event that the asbestos abatement/remodeling option is not pursued, we must still address the space and security issues. To accomplish this without proceeding with the asbestos abatement/remodeling option, we propose to relocate the Motor Vehicle and Drivers License customer service operations off of the capital grounds.

Change Group: A	Change Type: C	Change No: 14	Priority: 12
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Transportation Technicians (Equipment Operators) - 9 FTE for Highway Maintenance Sections

There is a dire need to hire additional full-time transportation technicians in three of the state's urban areas and in the Williston area. The Bismarck, Minot, and Fargo urban areas require 24 hour snow and ice control services. We have traditionally used part-time employees to work the night time hours, but have found it almost impossible to hire them lately. The department's full-time staff already works a significant amount of hours. It is unreasonable to work them further into the night. The Williston area needs additional operators to meet the service needs due to the growth of traffic in that area.

Two positions each would be assigned to Bismarck, Minot, and Fargo. One position would go to the Mohall section in the Minot district where they have hired a temporary employee to assist with snow and ice control because of the Air Force movements in that area. One position would go to each of the Tioga and Stanley sections in the Williston district.

Change Group: A	Change Type: C	Change No: 15	Priority: 13
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Digital Radio Conversion

The entire NDDOT radio network must be converted to digital by 2013. This will require an additional \$530,000 of state funding to complete.

Change Group: A	Change Type: C	Change No: 16	Priority: 14
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ARRA-Federal Stimulus Aid

- ARRA-Federal Stimulus Aid Carryover (\$9,989,575)

The Department of Transportation has this amount in Federal Stimulus projects remaining from the current biennium appropriated amount of \$176,082,671. Highway infrastructure carryover is \$5,189,575, and grants to rural transit program totals \$4,800,000. These projects are currently under contract and will begin in the current biennium.

BUDGET CHANGES NARRATIVE**801 Dept of Transportation****Bill#: HB1012****Date:** 01/13/2011**Time:** 08:51:02

- ARRA-Federal Stimulus Aid Carryover (\$14,130,000)

In addition, the Department of Transportation has received a TIGER II Grant totaling \$14,130,000 for a project in the North Central Region. The project will improve transportation infrastructure serving Minot's Agricultural Park, Great Plains Energy Park, Port of North Dakota, intermodal facility and BNSF Railway's Gavin Yard complex. It will also support the city of Minot, Ward County, and North Dakotas' efforts to enhance transportation safety, grow and diversify the state's economy, generate employment during the project's construction, and create long-term employment opportunities by supporting agricultural, manufacturing, and energy-related business development.

Change Group: A	Change Type: E	Change No: 2	Priority: 15
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Remove Prior Biennium One-Time - Remove one-time general fund transfer and ARRA funds

Remove prior biennium one-time.

Change Group: A	Change Type: F	Change No: 3	Priority: 16
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Remove Current Biennium Capital Assets

Remove Current Biennium Capital Assets.

Change Group: R	Change Type: A	Change No: 1	Priority:
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New MV Licensing Specialists

Provides \$191,948 in special funds for 2.00 FTE motor vehicle licensing specialists to address increased customer demand.

Change Group: R	Change Type: A	Change No: 2	Priority:
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New Drivers License Examiners

Authorizes 4.00 FTE and \$341,207 in special fund authority for driver's license examiners to address customer service needs and increased demand for commercial drivers license testing.

Change Group: R	Change Type: A	Change No: 3	Priority:
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New Heavy Equipment Operators

Authorizes 6.00 FTE and \$586,959 in special fund authority for heavy equipment operators to meet increased service needs.

Change Group: R	Change Type: A	Change No: 4	Priority:
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Market Salary Adjustments

BUDGET CHANGES NARRATIVE**801 Dept of Transportation****Bill#: HB1012****Date:** 01/13/2011**Time:** 08:51:02

Authorizes \$1.1 million in special fund authority for market salary adjustments targeted primarily for recruitment and retention of heavy equipment operators.

Change Group: R	Change Type: A	Change No: 5	Priority:
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Roadway Maintenance Safety Items

Provides \$15.6 million in special fund authority for inflationary and usage increases for roadway maintenance safety items.

Change Group: R	Change Type: A	Change No: 6	Priority:
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Transit Program

Increase transit program by \$700,000 as a result of allocating 25 percent of motor vehicle excise tax to the highway distribution fund.

Change Group: R	Change Type: B	Change No: 7	Priority:
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Devils Lake Highway Project

Provides \$5.9 million in one-time general fund dollars to complete the ND 20 roads-acting-as-dams project in the Devils Lake area.

Change Group: R	Change Type: B	Change No: 8	Priority:
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Extraordinary Highway Maintenance Needs

Provides \$228.6 million in one-time funding from a transfer from the permanent oil tax trust fund for extraordinary state highway maintenance needs.

Change Group: R	Change Type: B	Change No: 9	Priority:
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Drivers License IT System Planning

Authorizes \$500,000 in one-time special fund authority to conduct a planning study for replacing the driver's license information technology system.

Change Group: R	Change Type: B	Change No: 10	Priority:
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Asbestos Abatement

Authorizes \$2.5 million in one-time special fund dollars for asbestos abatement in the central office headquarters building.

Change Group: R	Change Type: B	Change No: 11	Priority:
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Digital Radio Conversion

Includes \$530,886 in one-time special fund authority to convert the agency's entire radio network to digital.

BUDGET CHANGES NARRATIVE

801 Dept of Transportation

Bill#: HB1012

Date: 01/13/2011

Time: 08:51:02

Change Group: R	Change Type: B	Change No: 12	Priority:
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ARRA Carryover

Provides \$24.1 million in carryover federal ARRA funding authority for highway infrastructure and rural transit programs.

Change Group: R	Change Type: B	Change No: 13	Priority:
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Road Reconstruction for Oil Counties

Provides \$142 million in one-time funding from a transfer from the permanent oil tax trust fund for county road reconstruction needs to support oil and gas production and distribution in North Dakota. Funding is based on a needs assessment study conducted by the Upper Great Plains Transportation Institute that resulted with a four-year plan to reconstruct both paved and unpaved county roads affected by the increase in oil and gas production. This funding addresses one hundred percent of paved road needs for two years and provides approximately one-third cost share for unpaved roads for the two-year period. DOT will allocate funding based on the priorities identified in the study as well as observed road conditions.